

The regular meeting of the Pitt-Greenville Airport Authority was held Wednesday, April 12, 2017 at 11:30am in the Conference Room of the Airport's Terminal Building. Board Members in attendance were: John Banks, Chairman; Eric Clark, Vice-Chairman; Buddy Zincone, Secretary/Treasurer; Jimmy Garris, Commissioner; Jim Morris; and Julie Carlson. Staff members in attendance were Betty Stansbury, Executive Director; Matthew Johnson, Operations Manager; April May, Business Manager; Erin Henry, Executive Assistant; and David Silver, Airport Counsel. Visitor attending was Michelle James.

Chairman Banks called the meeting to order and confirmed there was a quorum and then opened the Public Comment Period and explained the procedures to be followed by those wishing to speak. Chairman Banks then invited any members of the public to come forward. With there being no comments the board continued with the meeting.

The Board then addressed the MINUTES OF THE REGULAR MEETING HELD March 15, 2017. With there being two changes made, a motion to approve the minutes was offered by Julie Carlson, seconded by Jim Morris, and the vote to approve was unanimous.

The board then went straight into closed session to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body to discuss pending litigation of Plaintiffs Craig F. Goess and Benjamin Rodriguez versus Pitt-Greenville Airport Authority.

The Motion to go in to closed session was made by Jimmy Garris and seconded by Jim Morris. The Motion to come out of closed session was made by Jimmy Garris and seconded by Julie Carlson.

Chairman Banks then re-opened the Public Comment Period and explained the procedures to be followed by those wishing to speak. Chairman Banks then invited Ms. Michelle James to come forward to speak. Ms. James's family owns property on Belvoir drive and would like to purchase one of the parcels located on Haw Dr. to place a garage on the property. Silver stated once the airport acquires property there is many restrictions on selling them. Silver also stated it is possible to lease property depending on circumstances in which a building could be built if an agreement is made by all parties involved and legal permits/codes can be established. Ms. James will consult with her family and get back with airport staff.

Action Items:

The board then took into consideration the approval of a resolution to declare certain items of Airport property as surplus and to donate them to eligible other governmental units and non-profits.

The Resolution Declaring Certain Items Surplus to the needs of the Airport and directing the Executive Director to donate those items to other North Carolina Government agencies and local non-profit agency.

Be it resolved by the Board of Directors of the Pitt County - City of Greenville Airport Authority as follows:

Section 1. The Board does hereby find and determine that:

- a) the items listed below are in poor condition and are surplus to the needs of the airport
- b) disposal by donation is consistent with the Board's goal of reuse and recycle
- c) that the items listed below have minimal value to the airport, but may have residual value to other government agencies and non-profits

Section 2. The Board hereby authorizes the Executive Director to dispose of by donation of the following items, in an as-is condition and at no cost to the Authority:

- a) eight-five (85) runway and taxiway guidance sign fixtures and 100 taxiway edge lights to be donated to the Elizabeth City, NC airport
- b) thirteen (13) sets of Aircraft and structural fire-fighting suits to be donated to local area volunteer fire stations, allocation method to be determined jointly by the Executive Director and the Pitt County Emergency Management Director
- c) a Ricoh copier machine to be donated to the Free To Be Me Foundation

Section 3. This resolution shall take effect immediately upon its passage.

Upon Motion by Julie Carlson, seconded by Buddy Zincone, the foregoing resolution entitled “RESOLUTION DECLARING CERTAIN ITEMS SURPLUS TO THE NEEDS OF THE AIRPORT AND DIRECTING THE EXECUTIVE DIRECTOR TO DONATE THOSE ITEMS TO OTHER NORTH CAROLINA GOVERNMENT AGENCIES AND A LOCAL NON-PROFIT” is adopted this 12th day of April, 2017.

Stansbury advised the board that the Free to Be Me Foundation provides flights to children with chronic terminal illnesses. It has over 100 participants. Banks stated it provides a special day for these children. The airport helps by donating discounts for pilots participating. Their next event is scheduled for May 6, 2017.

The Executive Director next asked the board for permission to accept a grant of \$1,660,000 from the NC Dept. of Commerce – Rural Economic Development Division for reconstruction of the corporate and general aviation taxilanes at PGV. The motion to approve was offered by Jimmy Garris, seconded by Eric Clark, and the vote to approve was unanimous. Stansbury stated the engineer’s opinion is that it is estimated to cost \$1.86mil. The \$200,000 design is locally covered. Stansbury spoke with the Department of Commerce to ask what happens if the engineers estimate is higher than the amount requested. She was advised that if the bids are higher the Airport can request more funding to cover the costs. Banks stated that no one was advised in advance of the decision awarding PGV the grant. There is a May 1st deadline for round two grants; however that will not affect the grant the Airport has already been approved for.

Next the board discussed and considered the approval of a resolution in support of House Bill 275; an act to exempt airports from paying a storm water utility fee levied on runways and taxiways. The legislation was introduced in March, but not brought to the Airports attention until after the March board meeting. It has 12 sponsors and will exempt runways and taxilanes only. The ramps, parking lots, building will still need to pay a storm water fee. Last year we paid \$105,000, and this year it is estimated to pay \$140,000 in storm water fees. The savings must be used to attract new businesses. Banks advised that there was previously a 10% reduction on the storm fees due to an educational reduction. The City stopped giving the reduction this year but, after review Stansbury stated the City will be reinstating the financial credit (estimated at about \$10,000) this year. Banks advised that he met in Raleigh with representatives and spoke about the House Bill. He mentioned that Forsyth County is hurting due to the storm water fees. The smaller airports with storm water and LEO fees are having problems due to fees. The legislators are trying to keep the house bill very simple. Banks advised to attract businesses means to bring in revenue to the airport. He also stated that Newton & Associates will send in a letter to request clearer verbiage. There has been some discussion on which way the pipes and flowage goes on airport property. Talbert & Bright had previously stated on their survey that water went into the river. The motion to approve the resolution was offered by Jim Morris, seconded by Julie Carlson, and the vote to approve was unanimous.

Updates:

Community Service has had 3 people who have worked a total of 10 visits totaling 51 hours this month.

Red Heron Café' is scheduled to open April 29th. They are all set to cater the Chamber of Commerce meeting on April 26th.

Federally funded projects:

Lights/signs/vaults project has started mobilization by receiving deliveries and equipment. This project is estimated at \$2.8 million. The taxiway lights will be done during the day, but the runway work will be done during the night after the last flight. This project should be complete by Nov 2017.

Taxilane reconstruction project will have Bid opening on June 6th. The completion is scheduled for Oct 2017.

The Runway 2/20 Rehabilitation project should open bids by June 6th. The grant is expected to be received in August or September. This project will be to reconstruct the primary runway in the summer of 2018. This will be an \$8 mil project.

Budget Committee:

Stansbury advised that she will have a budget ready for the May board meeting. Banks advised that the finance committee must include the Chairman, Vice Chairman, Treasurer and any other board members who want to be included. Information will be sent out to the board members for consideration prior to the meeting. Stansbury will be out of office from May 5-15th. Zincone will be unavailable until May 4th.

The board then discussed the Financial Report:

In March the Revenues are \$394,325, Expenses \$259,090, Net revenue \$135,235. Year to date loss is at \$71,000. The budget is tracking close to projections being ¾ away from end of the fiscal year. Revenues are at 78% with Expenses at 81% leaving a net loss of \$200,000. Cash Balance \$4,169,295, unrestricted \$2,277,734 and restricted \$1,891,561.

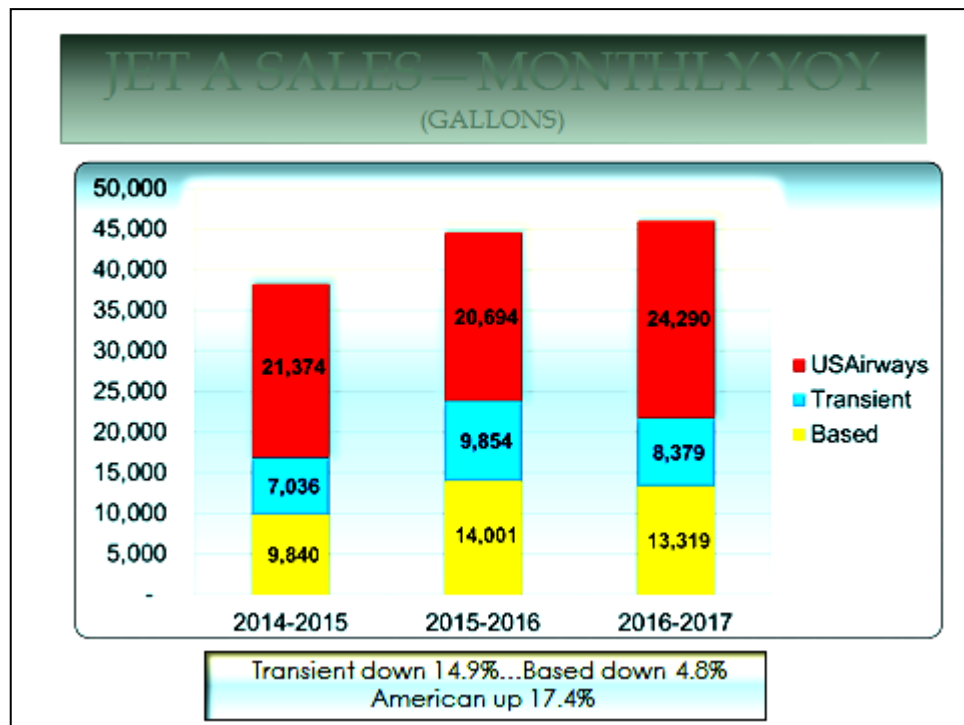
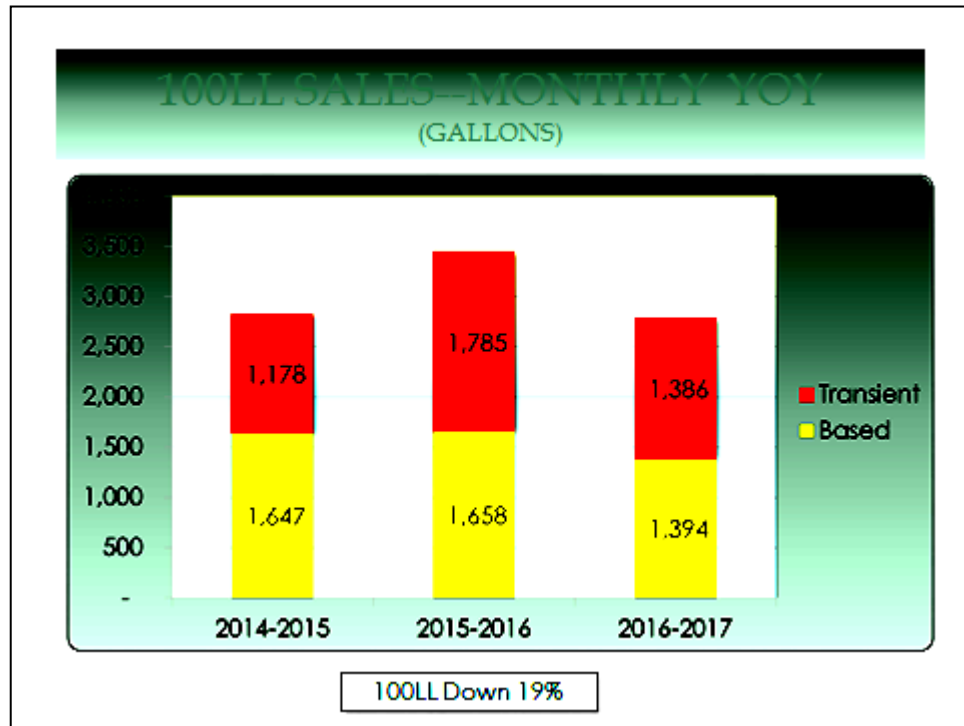
It has been questioned if Overton's land lease payment should be considered capital reserves or operating. The board stated it should go into the normal operating fund. Silver asked what the auditor would request. Stansbury stated she would research the request. Banks asked about the revenue from the T-hangars and was advised that it brings in \$4,900 monthly that is put back into the hangar fund. The corporate hangars bring in an estimated \$12,000 monthly placed back into the hangar fund per agreement with the County and City. Banks stated that this money will go back into the operating fund once it is completely paid back to the capital fund. The estimated payback time is 10-15 years.

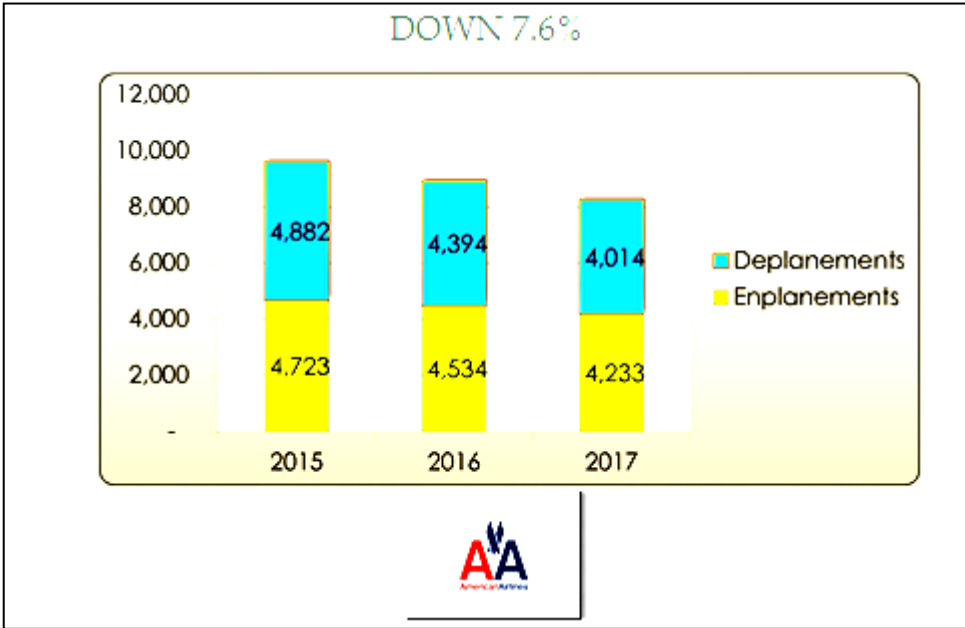
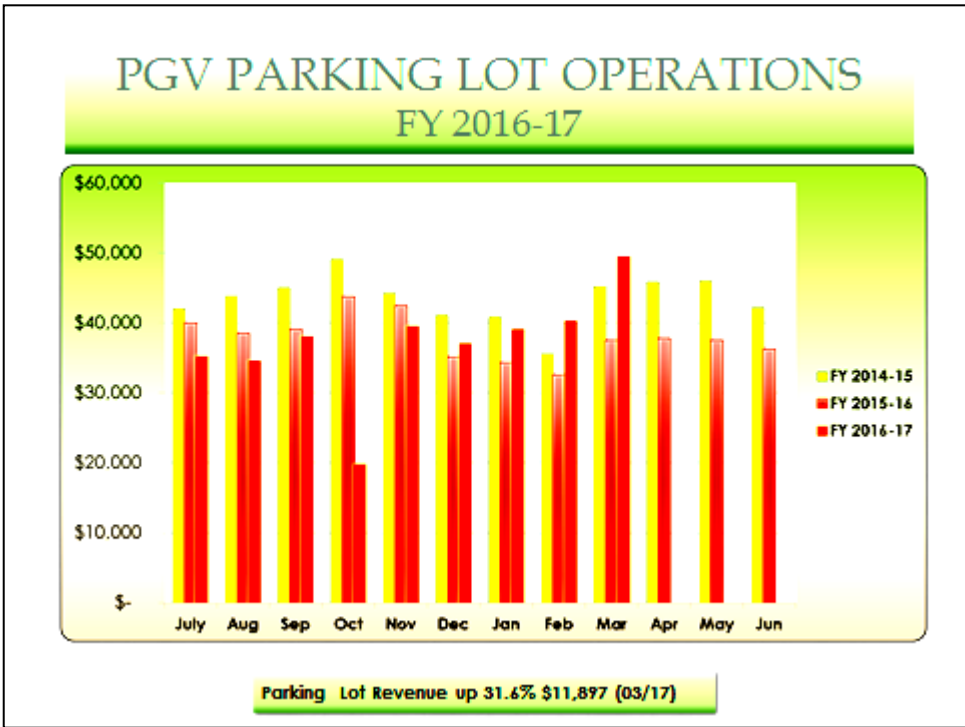
Banks advised the board there is a way to have different building options. One is hangar condominiums, which are developed based on the agreed amount of money leased/purchased. The airport would own the hangar, but would receive no rent for term agreed, but the tenant would be completely liable for the hangar. A second option could be a community hangar or more t-hangars.

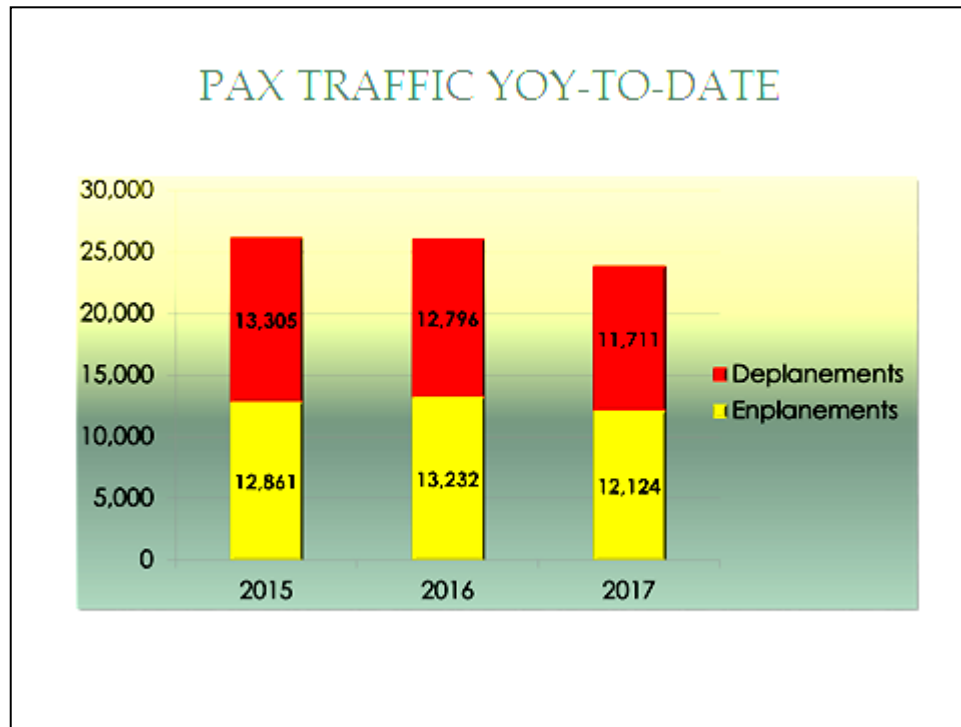
The Authority was then requested to take under discussion the Airport's Operational & Maintenance Report, Parking Lot Operations and Regional Airline Carrier activity

Stansbury started out stating that the fuel sales for March were 2,780 gallons of 100LL (down 19%), 45,988 gallons of JetA (up 17.4%) and 24,290 gallons of Airline (down 4.8%), Based 13,319 gallons (down 4.8%), Transient 8,379 gallons (down 14.9%). The parking lot revenue was \$49,445 (up 3.6%). Total

passengers are at 8,247 (down 7.6%). The load factors for the airline flights for March average 77% high 98% low 59%.







Stansbury advised the increase in parking revenue is due to the rate increase with longer overnight stays. There has been minimal push back because community is being advised that rate is due to new construction on parking lot. The new reconstruction is scheduled to be up and running by July 1st.

Chairman Comments:

Banks advised the Senate Bill 351 is a Short term Lease tax/Highway Fund. All rental car taxes which currently go back into the highway fund would be designated to go back to the airports. Instead of having the NCDOT giving us money each year it would come from this. Unfortunately we are still waiting on grant money from 2 years ago that we are trying to get closed out. Stansbury stated that once the bill gets into committee it should be amended to include all 10 commercial airports in North Carolina. It is a tax on rent car receipts generated at the airport. The State Department of Aviation did a statewide economic impact study on airports. Before the State Transportation Improvement Program the airport was eligible for \$300,000 a year from the State Department of Aviation. Now the airport must compete with other transportation project for STI funds. Stansbury stated that each commercial service airport would receive a protected portion of the total rent car tax revenues, which could be \$350,000 a year for PGV.

Banks advised that he and Stansbury attended the Sixel Air Service Development conference in Florida. They met with several airlines and while none could commit to providing services, some showed the interest in looking further at the market.

The board then went back into closed session to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations.

The Motion to go in to closed session was made by Jim Morris and seconded by Julie Carlson.
The Motion to come out of closed session was made by Jimmy Garris and seconded by Jim Morris.

Banks advised that the airport will be presenting its annual report to the City & County on June 5th. They will also be meeting with some council members from the City tomorrow April 13th.

The budget meeting will be coming up and Banks advised the board to suggest ideas regarding hangars, taxiways and other possible projects that need to be considered in the coming 17-18 FY budget.

As there was no more business to attend to a MOTION TO ADJOURN was made by Eric Clark, seconded by Buddy Zincone and the meeting was adjourned following a unanimous vote. The next meeting of the Airport Authority will be held at 11:30am on May 17, 2017.

Respectfully submitted,

Betty Stansbury